

March 31, 2006

Dear Friends, Business Associates, Law Enforcement Officers, and, more specifically, Rental Property Owners:

Lewis County is a vibrant, growing, great place to live, work, play, and **own rental property**. With new businesses and people moving into the area, it is incumbent upon rental owners to provide Crime Free Housing, which is the goal of the majority of rental property owners in Lewis County. The local Rental Owners Association is rapidly modernizing. The membership is mostly computer literate with email, fax and online capabilities, which are of the utmost importance when ordering **credit, criminal, and civil reports** on applicants for our units.

That said I would like to introduce myself. I am Bob Kling, Broker/Agent of Kling and Associates Realty, Inc. I have lived in Lewis County since 1965. In the past 30+ years I have listed/sold numerous properties and managed my own rental properties full time. My wife, Rebekah, has a Law Degree from the University of South Carolina School of Law. This newsletter is written and published by Bob and Rebekah Kling.

Rebekah and I belong to the Lewis County Rental Owners Association (LCROA). Rebekah is the Secretary, I am the Vice-President, Roxanne Byrnes is President, and Linda Stone is Treasurer. The Board and Membership is comprised of many individuals with years of experience in the rental business who are quite capable of providing tremendous support and information concerning the “do’s and don’ts” of the rental business.

The LCROA meets every third Tuesday of the month with a no-host dinner at 6pm and a speaker at 7pm at the Kit Carson Restaurant in Chehalis. These meetings have proven to be lively with lots of questions and answers. The Speakers for the last six general meetings have included Lewis County Sheriff Steve Mansfield, Michael Golden (Deputy Prosecutor), Jeff Robertson (Accountant), Chief Bob Berg (City of Centralia), Steve Garrett (Lewis County Health Department), and Mike Mittgee (Attorney). During these meetings many of the members have shared their most recent rental experiences, which are of tremendous value to the rest of the association. Another valuable tool for members of the LCROA is the automatic Associate Membership to the Rental Housing Association of Puget Sound (RHAPS). An associate member is entitled to use the RHAP’S Credit/Criminal/Civil Reports at a very reasonable cost (around \$30.00 for all 3 reports).

As Landlords, it is imperative to **screen, screen, screen** our potential tenants. By screening out the criminals, drug dealers, and just generally bad tenants, Landlords improve their property values, boost their public image, and heighten the quality of life for the entire Community. Spending a little time and money from the get-go will help make the rental business more profitable for the Landlord and the Community safer for everyone.

As for myself, I really do not like to see my properties torn up by con-artist tenants who have contrived to conceal their past bad rental history and who have managed to avoid having an Unlawful Detainer filed against them however well deserved.

It all boils down to proper tenant screening procedures!!! In order to properly screen a potential tenant a **Landlord must have at a bare minimum an excellent plain paper fax machine, a computer with good Internet access, and a Debit/Credit Card to order reports “online”.** The majority of companies, providing the highest quality reports from the best data bases and at the lowest cost per report, are only available online via the Internet.

Whoa---Wait---Slow Down---Stop---Think Please.....the three reports (Credit, Criminal, and Civil) will cost about \$30 (thirty dollars +/-) for each applicant. Therefore, it is imperative that Landlords charge a \$30 application fee for each tenant. The Application form must have a sentence, which tenants must sign, giving the Landlord the Legal Right to run the Credit, Criminal, and Civil Reports. **Bottom line, it costs the Landlord nothing to run these reports and could possibly save the Landlord thousands of dollars.**

So...why all the fuss?

Just one “bad apple” (tenant) can trash a unit and put your hard earned equity back to zero. Just one con-artist criminal Meth cooking Dealer/Tenant could create a situation in which you are forced to abandon your rental unit until the hazardous waste created by cooking Meth has been appropriately cleaned and declared toxic free. Many of these con artists will give you a sob story about all their bad luck and make a great case for how bad things are for them. They appeal to your altruistic side in the hopes that you will give them a chance. Many individuals, ie; Landlords and Property Managers, believe that they are a good enough judge of character to simply sit down and interview a potential tenant with their “bad luck” story “face to face”. After one or two “Reference Checks” and a twenty minute interview, they make the decision to rent or not! **This method does not work!** Any so-called “Property Manager” operating a property management business in such a way is doing a huge disservice to their clients and ultimately, to the community as a whole. You must insist that your Property Manager pull all three reports.

Before long the “bad luck” tenant is one month, two months, three months behind---but always with a very good reason---generally, some kind of “bad luck”. When this “bad luck” tenant finally moves out---you---the Landlord, may have lost as much as \$3,000-\$8,000 dollars in lost rent, legal fees, destruction of property, garbage cleanup, and restoration of the unit.

I, personally, do not like criminals and con artists with an Unlawful Detainer on their record. As a Landlord, you will find that it is nearly impossible to discover which potential tenants have an Unlawful Detainer unless you **make sure that any reports you purchase include information pulled from the Judicial Information System (JIS)**. The JIS pulls records from the county Superior Courts all over the State of Washington.

If you do discover that you are renting to a criminal and/or con artist, give that particular tenant a “Twenty Day Move-Out Notice” before they cause immeasurable damage to your investment.

Please consider coming to the Lewis County Rental Owners Association (LCROA) meeting, which is held on the third Tuesday of each month (generally at the Kit Carson Restaurant in Chehalis). Or give the LCROA a call at 360-748-9771. Generally, we can find an answer to your problem or direct you to someone who may be able to help. As a member of The LCROA you will receive 90 plus beneficial rental forms on CD in editable Microsoft word format and also in hard copy.

Mr. & Mrs. Landlord, do not be “Penny Wise and Pound Foolish”. Invest some money in the tools you need to run your Rental business. At the minimum a Landlord should have a **plain paper fax machine** capable of sending and receiving data at up to 33.4 kbs in order to receive the Tenant Screening Reports.

For way too long Landlords AND PROPERTY MANAGERS here in Lewis County have had the idea that 2/3rds of all Tenants have “Bad Credit” and therefore, why bother pulling Credit Reports??? By paying \$30.00 to a GOOD credit, civil, and criminal report providing company ie; have the company pull a **FULL** report; you will now have a report that should reveal collections, bankruptcies, judgments, and the Unlawful Detainer that the good landlords have filed against problem tenants. Applicants/tenants, who are aware that you and/or your Property Manager do not pull **Full Reports** or even Credit Reports, will tend to hide their prior “problem trend,” which even a Credit Report will most likely illuminate.

Property Managers who do not pull these reports and carefully consider all aspects of the report(s) are doing you, the owner, and the Community of Lewis County a huge disservice. Statistically 80% of the property and violent crime in Lewis County is Meth related and 70% of the Criminals are Tenants and are probably one of your Tenants at this very moment.

But let us take a moment here.....THE LANDLORDS ARE THE ONES WITH THE POWER!!! THEY HAVE THE POWER TO EVICT, THUS IMPROVING OUR WAY OF LIFE IN LEWIS COUNTY. I am sorry to say, but we all realize that the police and the legal system have not managed to get the criminal element out of our lovely county!!

As a conscientious Landlord, you should develop a set of criteria when interviewing any potential Tenant. One of the many tools you receive as a Member of the LCROA is an example of Criteria Lists. These are extremely important lists as they may keep you out of future Legal snafus when you “say no” to a potential tenant. As recently as 2½ years ago many of the ideas we are setting forth would have been listened to and politely dismissed because there was a 12-15% County wide vacancy factor. However, today there is a 2-3% vacancy factor, and there are many good, working tenants filling the new jobs and looking hard for good, safe, “crime free” housing.

Recently, at a Meth Summit sponsored by the Lewis County Sheriff’s Department, Rebekah and I had the opportunity to speak with Sheriff Mansfield and Deputy Nelson concerning a Crime Free Certification Program for Landlords. Sheriff Mansfield graciously listened and said he would be happy to hold a 5 County Crime Free Certification Program for Landlords at the end of Spring 2006. This program could mean a great deal to those who participate.

Upon completion of a 2 day course, inspection of your units by a representative of the police department, certification, and an educational meeting with your Tenants---you, as the Property Owner, could ask for more rent per unit because your property is now certified “Crime Free”. Just raising the rent \$35 per unit will make each certified unit worth approximately \$3,500 more in value. If you own 20 units---you just made \$70,000 for a weeks worth of work!!!! Ultimately, you have made it very difficult and nearly impossible for the criminal element to continue to operate and live in our Community.

Evicting 50% of the Criminal element and Tenants with an Unlawful Detainer filed against them will mean that our Units are more desirable for the “Good Tenant”. With one half of the undesirables gone from our community, public funds in the area of City and County police work can be used much more efficiently and effectively in other areas of law enforcement. Our neighborhoods will be safer, homes and rental properties will be more valuable, and our rentals will not be trashed as often, and...bottom line.....as Landlords, we will not have to do as many evictions. Money saved can then be spent on improving the infrastructure of the Community such as better roads, Libraries, Schools, and Parks.

Face it!!! The Courts and Police cannot help us much unless we help ourselves **First**. Purchase that Fax machine and/or computer---use them to pull the reports you need. Put the reports to use and act upon them. Clean up your currently vacant unit and rent it to a good, long term working family. Clean, vacant units rent immediately!

Bob and Rebekah Kling have been prevailed upon by the LCROA, the Vice President of Centralia College, the President of the Chamber of Commerce, the Centralia Businessman and Professionals Group, Steve Garrett of the Lewis County Health Department, Deputies Snaza and Nelson, and Lewis County Sheriff Steve Mansfield to “Act as the Liaison to all owners of Rental Property in Lewis County for the purpose of evicting the Criminal element out of Lewis County”.

Accordingly, we have spent about \$2,000 of our own money on computer software and another \$3,000 on labor to amass a fairly comprehensive data base, which we believe accounts for approximately 85% of all Lewis County Landlords. This newsletter is ultimately being Directly mailed to about 1,250 (+/-) Landlords owning rental property in Lewis County. Please keep your eyes and ears open in the coming months for news releases in the Chronicle and on our local Radio stations.

My staff and I recently completed a comprehensive study of the many Credit, Criminal, and Civil Report Providers. The report is an extremely detailed and up to date Excel spreadsheet of over 20 Report Providers. The two pages of information include Services and Costs for each of the Report Providers. Please give me a call and I will be glad to provide you with a copy of the report.

By joining the LCROA, you are in a position to use one of the better reporting sources in Washington... RHAPS. To obtain really accurate Civil Reports, data must be pulled from the JIS system in Olympia. Superior Courts all over the State of Washington report their filings of Unlawful Detainers to the JIS. Please remember that there are over 400 Unlawful Detainers filed per year just in Lewis County. When was the last time that a potential tenant actually mentioned or informed you that they have an Unlawful Detainer on their record??? Think about it and then go out and purchase that Fax machine and/or Computer.

Take a giant step into the 21st Century.

Astute Buyers, Sellers, Landlords, and Property Managers have Internet access and email capabilities. I, personally, have 5 computer systems. Everyday we email our Clients with updates on the latest Multi-Family and Single Family properties to hit the Market, go under Contract, and/or finally sell in the area.

Kling and Associates Realty averages one Multi-Family Property closing per month plus many homes, acreages, etc. We would be grateful for a chance to help you and protect your interests in any Real Estate Transaction. Recently, Linda Stone joined the team of Kling and Associates and is also available to assist you with your purchases and sales. Enclosed with this letter are a number of Multi-Family listings and Investment opportunities. Please feel free to give me a call at 360-748-4188 for further information and we will gladly fax and/or email a large amount of information on any Listing and/or available property in which you have an interest.

Sincerely,

Bob and Rebekah Kling

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